

United States v. Vincent Leibell
Prepared Remarks for U.S. Attorney Preet Bharara
December 6, 2010

Good afternoon. My name is Preet Bharara, and I am the United States Attorney for the Southern District of New York.

This is a sad day for the people of Putnam County and the rest of New York. In a ritual that has become all too familiar in our state, we are unfortunately here once again to announce that an elected official who was sent to Albany to serve the public instead decided to betray the public trust. It is just the latest case involving a state lawmaker who chose, for whatever reason, to become a law breaker.

Just a short while ago, longtime New York State Senator Vincent L. Leibell III pled guilty to two federal felonies – obstruction of justice and failure to report taxable income.

For over 28 years, Vincent Leibell served in elected office – first as an Assemblyman and then as a Senator, in Albany. Before that, he served as an Assistant District Attorney in Westchester. Just this past November, he won election to the post of Putnam County Executive, the most powerful political position in the County.

But today he stands convicted of two federal felonies. And Senator Leibell has only himself to blame for the fact that, after 28 years in public office, this conviction will be the capstone to that career.

Before I get to the details, let me introduce and thank our partners in this case. I am joined here today by the FBI, led by Special Agent-in-Charge of the FBI New York Field Office's Criminal Division, Diego Rodriguez; and the IRS, led by Chuck Pine, the Special Agent-in-Charge of the New York Field Office of the IRS's Criminal Investigation Division.

I want to commend the outstanding work of the career prosecutors who have worked so hard on this matter and have conducted a meticulous and thorough investigation: Assistant United States Attorneys Perry Carbone and Jason Halperin, supervised by Diane Gujarati and Michael English, the Chief and Deputy Chief of our White Plains Division.

I also want to congratulate the dedicated Special Agents who worked so hard on this investigation, including Caroline Gilmore and Michael Mazzuca from the FBI and Timothy Ryan from the IRS.

Now, let me spend a few minutes describing the circumstances that led to the particular charges at the heart of the guilty plea this morning.

First, Senator Leibell has admitted his guilt in obstructing a federal grand jury investigation into whether he committed extortion while serving as a New York State lawmaker.

By way of background, the federal investigation was focused on a private not-for-profit organization, which, in part, Leibell had established and controlled. The stated purpose of the not-for-profit was to fund and develop senior housing in Putnam County. Between 2000 and 2010, Leibell, as a New York State Senator, sponsored member item grants worth millions of dollars to that organization.

Now, a potential witness in our investigation was a lawyer who had performed legal services for the non-profit. He is referred to in the charging document as Attorney #1. The investigation was focusing on whether the Senator had extorted cash payments from the Attorney. Specifically, it was examining whether Leibell had threatened to cause the nonprofit to not pay the Attorney's legal invoices unless he agreed to kick half of his fees back to Leibell in cash.

As soon as Senator Leibell got wind of the Grand Jury's investigation, in late April, he made the fateful decision that brings us here today – he decided to engage in a criminal cover-up. He began meeting with the Attorney for the purpose of getting him to lie to federal agents.

On one occasion, June 6th of this year, Senator Leibell asked the Attorney to meet him out on a street in Carmel, New York. Unbeknownst to the Senator, the Attorney was wearing a wire, and their conversation was recorded.

During that meeting, the Attorney expressed concern about the large cash withdrawals that he'd earlier made from his bank accounts to pay Senator Leibell. Federal agents knew about those withdrawals and were asking him about it.

And in response, on that day, Senator Leibell repeatedly and brazenly directed the Attorney to lie to federal investigators about their financial relationship:

- Leibell directed the Attorney to falsely deny ever making any cash payments to Leibell.
- And if he were asked about the substantial cash withdrawals, Leibell instructed him to offer one or more false reasons for taking so much money out of the bank: that he needed it to pay for his elderly mother's care and to be prepared for another terrorist attack or other emergency.

During the meeting, in blunt language, Leibell repeatedly urged the Attorney to maintain their false denials and match up their stories. We've excerpted three of his recorded statements on this chart to my left. [CHART]

- ***“All I know is, as long as you and I are consistent, I’m fine, you’re fine. There was never any cash between you and I, okay?”***
- ***“You and I say there was never any cash relationship. Period.”***
- ***“Since you and I are in agreement, it didn’t happen.”***

Beside obstruction of justice, during his plea allocution, Senator Leibell also admitted to filing false federal income tax returns with the IRS for the tax years 2003 through 2006. He failed to report at least \$43,000 in cash he received during these years from two attorneys, both of whom did business in or for Putnam County.

Senator Leibell faces a maximum possible sentence of ten years on the obstruction charge and three years on the tax charge. According to the plea agreement, the sentencing guidelines call for a term of between 18 and 24 months in prison. Sentencing is scheduled for March 7, 2011.

Vincent Leibell is, sadly, only the latest in a long line of public officials who have placed themselves above the law and have been brought before the bar of justice in the Southern District of New York.

There is no prosecutor's office in the state that takes more seriously the responsibility to root out public corruption in Albany and anywhere else where we might find it. And I think our record speaks for itself.

To date, our Office has brought federal charges against numerous elected officials who have served in the New York State Legislature and City Councils in our District.

Those charged, convicted, and sentenced include Senator Efrain Gonzalez (7 yrs), Assemblyman Anthony Seminerio (6 yrs), and Assemblyman Brian McLaughlin (10 yrs). The cases against several others are playing out in Southern District of New York courtrooms as we speak.

I've said it before and I will say it again, with respect to our efforts against public corruption, at the moment business is not slow. And we will continue to bring appropriate cases until every politician understands that elective office is a privilege, not a right; that elected officials are there to serve the public, not themselves; and that those who violate the public trust do so at the risk of ending their careers behind bars.

It is now my pleasure to call to the podium the FBI's Diego Rodriguez.